United States Department of Agriculture
National Agricultural Statistics Service

AGRI-VIEW

Cooperating with the Minnesota Department of Agriculture
P.O. Box 7068 · St. Paul, MN 55107
(651) 201-6030 · (651) 201-6092 FAX · www.nass.usda.gov

ISSUE AV-03-11

RELEASED: JANUARY 28, 2011

IN THIS ISSUE:

APPLES

CATTLE ON FEED

JANUARY POTATO STOCKS

U.S. MEAT PRODUCTION OUTLOOK

DECEMBER MILK PRODUCTION

STATE'S UTILIZED APPLE PRODUCTION DECREASED

MINNESOTA: Utilized apple production for 2010 was estimated at 15.8 million pounds, down 4.5 million pounds from 2009. The 2010 total apple production is estimated at 19.0 million pounds, a decrease of 4.2 million pounds from last year's crop.

The value of production received for the 2010 crop was up 5 percent from 2009. The preliminary average price received for Minnesota apples was 79.6 cents per pound, compared with 59.1 cents in 2009, up 20.5 cents per pound. The price includes fresh sales (both retail and wholesale) plus processing sales on a delivered wholesale basis. Both production and price estimates are subject to revision when the updated annual summary is published on July 7th, 2011.

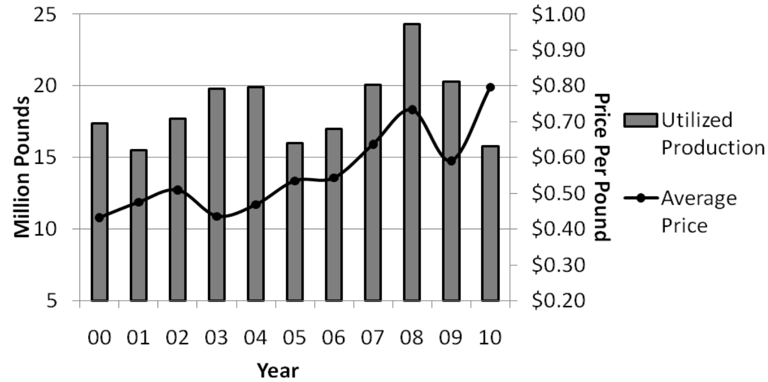
UNITED STATES: Utilized apple production for 2010 is estimated at 9.21 billion pounds, down 3 percent from 2009. Utilized production in Washington increased 6 percent from 2009, to 5.50 billion pounds. New York's utilized production decreased 6 percent from 2009, and Michigan's utilized production decreased 41 percent from the 2009 crop. Washington apple growers reported that the cool weather in spring and later in the summer resulted in much smaller fruit than was expected earlier in the season. New York's apple growers reported damage to their crop due to spring frost, summer heat and drought. The Michigan apple crop was greatly reduced by continual spring frosts. Wet conditions in the spring contributed to reports of apple scab in some apple orchards.

CROP YEAR	UTILIZED PRODUCTION (MILLION LBS.)	SEASON AVERAGE PRICE (CENTS PER LB.)	VALUE (1,000 DOLLARS)
MINNESOTA			
2006	17.0	54.3	9,228
2007	20.1	63.7	12,807
2008	24.3	73.4	17,827
2009	20.3	59.1	11,988
2010	15.8	79.6	12,571
UNITED STATES			
2006	9,730	22.7	2,213,155
2007	9,045	28.8	2,608,220
2008	9,540	23.2	2,214,717
2009	9,453	23.1	2,187,008
2010	9,205	23.4	2,150,092

Farmers will soon have the opportunity to set the record straight about the issues that affect them – and to help ensure that policies and programs are based on accurate, real-world data. This is the goal of the annual Agricultural Resource Management Survey (**ARMS**), conducted by the U.S. Department of Agriculture's National Agricultural Statistics Service.

Beginning December 27, NASS field offices started contacting approximately 35,000 farmers nationwide by mail or phone to complete the survey. Producers will be asked to provide data on their operating expenditures, production costs and household characteristics.

MINNESOTA'S APPLES
UTILIZED PRODUCTION & SEASON AVERAGE PRICES



U.S. CATTLE ON FEED UP 5 PERCENT

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.5 million head on January 1, 2011. The inventory was 5 percent above January 1, 2010. The inventory included 7.18 million steers and steer calves, up 4 percent from the previous year. This group accounted for 62 percent of the total inventory. Heifers and heifer calves accounted for 4.26 million head, up 5 percent from 2010.

Placements in feedlots during December totaled 1.80 million, 16 percent above 2009. Net placements were 1.73 million head. During December, placements of cattle and calves weighing less than 600 pounds were 480,000, 600-699 pounds were 495,000, 700-799 pounds were 440,000, and 800 pounds and greater were 380,000.

Marketings of fed cattle during December totaled 1.83 million, 5 percent above 2009. This is the second highest fed cattle marketings for the month of December since the series began in 1996.

Other disappearance totaled 65,000 during December, 10 percent below 2009.

Cattle on Feed: Number on Feed, 1,000+ Capacity Feedlots, by Month, State, and United States, 2010-2011 1/

State	Jan. 1, 2010	Dec. 1, 2010	Jan. 1, 2011		
			Number	as % of 2010	as % of Dec
AZ	287	249	258	90	104
CA	465	470	470	101	100
CO	1,010	1,090	1,080	107	99
ID	215	235	240	112	102
IA	570	630	640	112	102
KS	2,250	2,360	2,280	101	97
NE	2,360	2,460	2,430	103	99
OK	365	380	375	103	99
SD	235	255	260	111	102
TX	2,680	2,840	2,840	106	100
WA	166	208	212	128	102
Other States	405	437	432	107	99
US	11,008	11,614	11,517	105	99

1/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.

MINNESOTA POTATO STOCKS 17 PERCENT BELOW 2010 LEVEL

January 1 Stocks: Minnesota's fall potatoes in storage totaled 9.6 million hundredweight on January 1, 2011, 17 percent below the January 1, 2010, level. The breakdown of January 1, 2011, stocks by type indicate 8 percent red, 1 percent white, 1 percent yellow, and 90 percent russet.

MINNESOTA FALL POTATO STOCKS

Type	Jan. 1, 2010		Jan. 1, 2011	
	Stocks 2009 Crop (000) Cwt 1/	Percent of Total Stocks	Stocks 2010 Crop (000) Cwt 1/	Percent of Total Stocks
Red	1,300	11	768	8
White	500	4	96	1
Yellow	100	1	96	1
Russet	9,700	84	8,640	90
Total	11,600	100	9,600	100

1/ Quantity may not add due to rounding.

DECEMBER 1 PORK BREEDING INVENTORY

In a U.S. animal-protein market environment now dominated by upside feed-price risk, the *Quarterly Hogs and Pigs* report released by USDA on December 27, 2010, showed lower swine inventories and lower farrowing intentions for the first half of 2011. At a minimum, lower inventories and farrowing intentions indicate a degree of caution on the part of hog producers with respect to how profitability might be affected by higher feed costs. The report indicated that the December 1 inventory of market hogs was 0.83 percent lower than a year ago. The report also indicated that producers have pared back breeding animal numbers compared with a year earlier - December 1 inventory of breeding animals was 1.23 percent lower than on December 1, 2009. The lower breeding inventory, combined with estimated year-over-year higher fourth-quarter sow slaughter (net of imported culled Canadian breeding animals), suggests that some producers have responded to higher corn and soybean meal prices - and to expectations that high prices will continue into the future - by reducing breeding numbers, thereby limiting exposure to the lower returns that higher feed costs often imply.

The report also showed lower producer farrowing intentions for the first half of 2011. The second set of producer intentions for the December-February quarter indicates that farrowings will be about 1 percent lower than a year earlier. First intentions for the March-May quarter are 2.25 percent below the same period last year. Combined producer intentions in the December report indicate that first-half 2011 farrowings could be about 1.4 percent lower than in the same period last year.

While smaller breeding animal inventories and lower farrowing intentions often translate into lower pig crops, continued gains in sow productivity are expected to largely offset lower farrowing numbers in 2011. Moreover, continually improving swine genetics and enhanced nutrition management practices are expected to continue to move average dressed weights slightly ahead of last year's estimated average of 203.5 pounds per carcass. Hog weights are expected to average slightly ahead of last year's average, although recent weight increases are not expected to be sustained through the year. This year's commercial pork production is expected to be 22.5 billion pounds, about half a percent higher than production in 2010.

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-199/Economic Research Service, USDA, January 19, 2011

TURKEY PRICES HIGHER IN FOURTH-QUARTER 2010

In 2010, prices for whole hen turkeys were consistently higher than the previous year. With lower production through the first three quarters of 2010 and a strong export market, stocks levels declined, placing upward pressure on prices. December prices for whole hens averaged $0.98 per pound, down seasonally from November, but $0.14 per pound higher than the previous year. Prices in fourth quarter 2010 averaged $1.04 per pound, 27 percent higher than the previous year. This was 6 cents per pound higher than in the third quarter. With low stock levels going into 2011, whole hen prices are expected to remain above year-earlier levels through the first half of the year, but may be slightly lower by the end of the year. Turkey production in November was 520 million pounds, 9 percent higher than in November 2009. The increase in production came from gains in both the number of birds slaughtered (even accounting for 1 more slaughter day in November 2010 than in November 2009) and a gain in the average weight per bird at slaughter. In November 2010, the number of turkeys slaughtered was 6.8 percent higher than the previous year. The average weight for turkeys at slaughter rose to 28.2 pounds, up 1.6 percent.

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-199/Economic Research Service, USDA, January 19, 2011

U.S. BEEF STILL A HOT COMMODITY IN 2011

Global demand for U.S. beef in 2011 should remain equally as strong, or perhaps stronger, than 2010; however, there will be less beef produced in the United States available for export. In the face of tighter supplies, the export forecast for 2011 is unchanged from last year, at 2.3 billion pounds. In the first and second quarters of this year, 15 and 2.6 percent year-over-year growth is anticipated. As beef supplies diminish in the second half of the year, export levels should fall below those posted in the third and fourth quarters of 2010, with the sharpest reduction 13 percent below 2010 in the fourth quarter. Demand for U.S. beef among Asian trading partners should remain high in 2011, particularly with a weaker U.S. dollar and the resumption of global economic growth. Increased domestic production in Mexico, however, may somewhat hamper exports to that country, the top U.S. beef export market. U.S. beef exports for 2010 will likely be 2.3 billion pounds, demonstrating 19-percent yearly growth. The fourth quarter of this year should post over 25 percent year-over-year growth at 650 million pounds, the largest quarterly export quantity since 2003.

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-199/Economic Research Service, USDA, January 19, 2011

FEED GRAINS SUPPLIES DOWN IN 2010/11

U.S. feed grain supplies for 2010/11 are forecast at 380.3 million metric tons, down 2 million from last month, and down 17.5 million from last year. The 2010 corn crop is estimated lower this month, but the sorghum crop is higher. Barley and oats production are unchanged. Imports are raised slightly to 2.1 million tons, reflecting an increase in corn imports. Beginning stocks are unchanged, at 48.1 million tons.

Total feed grain use is projected slightly higher, at 357.7 million tons this month. Domestic use of the four feed grains is raised 0.4 million tons this month, to 304.1 million. This increase is the result of higher projected feed and residual use for sorghum.

Feed grain exports for 2010/11 are lowered slightly this month, to 53.6 million tons, as sorghum exports are reduced. The decrease in feed grain supplies combines with an increase in domestic use to lower expected ending stocks 2.2 million tons, to 22.5 million. In 2009/10, ending stocks for the four feed grains totaled 48.1 million tons.

Source: *Feed Outlook/*FDS-11a/Economic Research Service, USDA, January 14, 2011

DECEMBER MILK OUTPUT UNCHANGED IN MINNESOTA

Totaling 766 million pounds, the state's December milk production was unchanged from December 2009.

Output per cow was 1,630 pounds in December, unchanged from last December. Milk cows for December averaged 470,000 head, unchanged from November, and unchanged from one year ago.

December 2010 milk output in the 23 major states was 15.0 billion pounds, up 3.1 percent from December 2009. Milk cows in the 23 states averaged 8.39 million head, up 74,000 head from the previous year. At 1,794 pounds, production per cow was 33 pounds greater than December 2009.

NOVEMBER/DECEMBER 2010 MILK STATS

State	Milk Production		Percent of Previous Year	
	Nov	Dec	Nov	Dec
	Million Lbs.		*Percent*	
California	3,273	3,374	104.5	102.7
Idaho	1,047	1,068	106.7	104.9
Minnesota	**717**	**766**	**98.9**	**100.0**
New York	1,026	1,069	104.6	104.6
Pennsylvania	866	889	102.8	101.8
Wisconsin	2,062	2,163	100.5	100.7
23 States	14,419	15,042	103.1	102.8

Douglas Hartwig
Director

Dan Lofthus
Deputy Director